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Aug 1, 2003

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
NNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	$13.52	/CWT
CLASS I BUTTERFAT PRICE PER POUND	$1.21	/LB

EFFECTIVE SEPTEMBER 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is $13.52 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.1 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be $1.21.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	$10.76	/CWT

Average spray process dry milk solids price per pound	=	$0.86000		
Multiplied by 8.2	x	8.2		
		$7.05200		$7.05200
Last quote of the month for Grade AA butter minus a differential of $.0895	=	$1.12050		
Multiplied by 4.2	x	4.2		
		$4.70610	+	$4.70610
				$11.75810
LESS a make allowance of 8.5% (		$11.7581 X .085)	-	$0.99944
				$10.75866

Rounded to the nearest whole cent = **$10.76** /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND					$1.24 /LB
Last quote of the month for Grade AA butter					
minus a differential of $.0895	=	$1.12050	X .111)	=	$0.12438
Rounded to the nearest half cent				=	$0.124
Butterfat value per pound					
for milk at 3.5% test:		$1.24			
Hundredweight price of milk testing 3.5%				=	$10.76
LESS 3.5 pounds of butterfat at		$1.24	per pound	-	$4.340
Value of 96.5 pounds of skim				=	$6.420
CLASS II VALUE OF					
ONE POUND OF SKIM		6.420	/ 96.5 pounds)	=	$0.06653 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			$9.18 /CWT
3.5 pounds of butterfat	$1.01	per pound =	$3.535
96.5 pounds of skim	$0.05853	per pound =	$5.648
			$9.183 /CWT

CLASS III BUTTERFAT PRICE PER POUND				$1.01 /LB
Last quote of the month for Grade AA butter				
minus a difference of $.0895	=	$1.12050		
LESS 10%	-	$0.11205		
		$1.00845		
Rounded to the nearest whole cent	=	$1.01	per pound.	
CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED				$5.85316 /CWT
Avg. spray process dry milk solid price/lb	=	$0.86000		
Multiplied by 8.2		8.2		
		$7.05200		
LESS 17%		$1.19884		
		$5.85316		
Rounded to the nearest whole cent		$5.85	per hundredweight.	

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick

Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $13.52 FOR 3.5% MILK 96.5 LBS = $9.285		CLASS II SKIM PRICE BASED ON $10.76 FOR 3.5% MILK 96.5 LBS = $6.420		CLASS III SKIM PRICE BASED ON $9.18 FOR 3.5% MILK 96.5 LBS = $5.648	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.09523	2.50	$0.06585	2.50	$0.05793
2.55	$0.09528	2.55	$0.06588	2.55	$0.05796
2.60	$0.09533	2.60	$0.06591	2.60	$0.05799
2.65	$0.09538	2.65	$0.06595	2.65	$0.05802
2.70	$0.09543	2.70	$0.06598	2.70	$0.05805
2.75	$0.09548	2.75	$0.06602	2.75	$0.05808
2.80	$0.09552	2.80	$0.06605	2.80	$0.05811
2.85	$0.09557	2.85	$0.06608	2.85	$0.05814
2.90	$0.09562	2.90	$0.06612	2.90	$0.05817
2.95	$0.09567	2.95	$0.06615	2.95	$0.05820
3.00	$0.09572	3.00	$0.06619	3.00	$0.05823
3.05	$0.09577	3.05	$0.06622	3.05	$0.05826
3.10	$0.09582	3.10	$0.06625	3.10	$0.05829
3.15	$0.09587	3.15	$0.06629	3.15	$0.05832
3.20	$0.09592	3.20	$0.06632	3.20	$0.05835
3.25	$0.09597	3.25	$0.06636	3.25	$0.05838
3.30	$0.09602	3.30	$0.06639	3.30	$0.05841
3.35	$0.09607	3.35	$0.06643	3.35	$0.05844
3.40	$0.09612	3.40	$0.06646	3.40	$0.05847
3.45	$0.09617	3.45	$0.06649	3.45	$0.05850
3.50	$0.09622	3.50	$0.06653	3.50	$0.05853
3.55	$0.09627	3.55	$0.06656	3.55	$0.05856
3.60	$0.09632	3.60	$0.06660	3.60	$0.05859
3.65	$0.09637	3.65	$0.06663	3.65	$0.05862
3.70	$0.09642	3.70	$0.06667	3.70	$0.05865
3.75	$0.09647	3.75	$0.06670	3.75	$0.05868
3.80	$0.09652	3.80	$0.06674	3.80	$0.05871
3.85	$0.09657	3.85	$0.06677	3.85	$0.05874
3.90	$0.09662	3.90	$0.06681	3.90	$0.05878
3.95	$0.09667	3.95	$0.06684	3.95	$0.05881
4.00	$0.09672	4.00	$0.06688	4.00	$0.05884
4.05	$0.09677	4.05	$0.06691	4.05	$0.05887
4.10	$0.09682	4.10	$0.06694	4.10	$0.05890
4.15	$0.09687	4.15	$0.06698	4.15	$0.05893
4.20	$0.09692	4.20	$0.06701	4.20	$0.05896
4.25	$0.09697	4.25	$0.06705	4.25	$0.05899
4.30	$0.09702	4.30	$0.06708	4.30	$0.05902
4.35	$0.09707	4.35	$0.06712	4.35	$0.05905
4.40	$0.09712	4.40	$0.06715	4.40	$0.05908
4.45	$0.09717	4.45	$0.06719	4.45	$0.05911
4.50	$0.09723	4.50	$0.06723	4.50	$0.05914

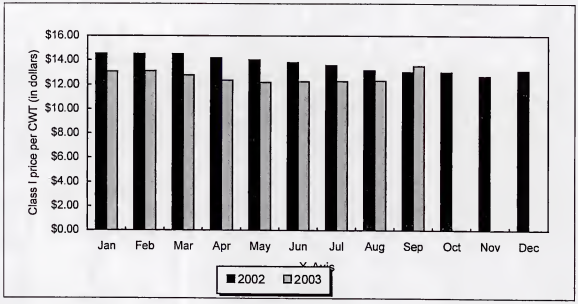
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	$14.53	$13.07	($1.46)	-10.05%
February	$14.51	$13.11	($1.40)	-9.65%
March	$14.50	$12.78	($1.72)	-11.86%
April	$14.17	$12.36	($1.81)	-12.77%
May	$14.02	$12.19	($1.83)	-13.05%
June	$13.81	$12.26	($1.55)	-11.22%
July	$13.58	$12.29	($1.29)	-9.50%
August	$13.17	$12.32	($0.85)	-6.45%
September	$13.03	$13.52	$0.49	3.76%
October	$13.01			
November	$12.70			
December	$13.15			
Average	**$13.68**	**$12.66**	**($1.27)**	**-8.98%**

Prices are per hundredweight (CWT).



Completion of pooling (prior to audit) shows the producer quota blend prices to be:

JUN 2003: class I = $6.47; class II = $1.50; Class III = $2.93; total = $10.90

(calculations based upon utilization percentages of butterfat & skim)